

**Daily Economic News Summary: 9 January 2019**

**1. Economic Slowdown: World Bank projects India's growth to 5% for FY 2019-20**

**Source: Financial Express ([Link](#))**

The World Bank has projected a five per cent growth rate for India in the 2019-2020 fiscal, but said it was likely to recover to 5.8 per cent in the following financial year. The growth rate for Bangladesh has been projected to remain above seven per cent through the forecast horizon and, in Pakistan, it is projected to languish at three per cent or less through 2020 as macroeconomic stabilisation efforts weigh on economic activity, the bank said in its latest edition of the Global Economic Prospects.

**2. Modi's latest gift to north-east; households, industries to be soon put on gas grid network**

**Source: Financial Express ([Link](#))**

The north-east states of India will soon be connected via gas pipelines of natural gas, used in households and industries. In an effort to turn India into a gas-based economy, the cabinet has on 8 January approved the capital grant as viability gap funding to Indradhanush Gas Grid Ltd for setting up the North-East Natural Gas Pipeline Grid. The government had earlier announced the plan to raise the share of natural gas in the country's primary energy mix to 15 per cent by 2030 from the present level of 6 per cent. To achieve this goal, the government has been continuously encouraging large-scale investments in gas production, transportation, and import terminals to increase countrywide access to fossil fuel.

**3. Modi govt brings in private firms to push 'Make in India'; allows commercial coal mining**

**Source: Financial Express ([Link](#))**

CIL has been allotted adequate coal blocks to ramp up production and has been provided with a production target of 1 billion tonnes by 2023-24. To push Narendra Modi's flagship scheme 'Make in India', the cabinet has on 8 January passed an ordinance to remove the end-use restrictions on private coal mining. The move will thus allow commercial mining of coal by private companies by promulgating the Mineral Laws Amendment Ordinance 2020. The cabinet said that the Coal India Limited (CIL) has been allotted adequate coal blocks to ramp up

production and has been provided with a production target of 1 billion tonnes by 2023-24. Coal accounts for a significant portion of raw materials in the industry. Especially in sectors such as steel, coal is extensively used as fuel to operate blast furnaces. With the current move, the government also aims to increase domestic coal production, bringing the steel prices down, which will help in boosting the infrastructure sector.

#### **4. Budget session of Parliament from 31 January**

**Source: Livemint ([Link](#))**

The budget session of Parliament will begin on 31 January and continue till 3 April with Nirmala Sitharaman presenting her second union budget as the finance minister on 1 February. The Cabinet Committee on Parliamentary Affairs has recommended holding the Budget Session in two phases with a recess, news agency PTI reported citing sources. The first phase of the session will be from January 31 to February 11 and the second from March 2 to April 3, the report said. The President convenes both Houses of Parliament on the recommendation made by the Union Cabinet. The budget session could become stormy considering the ongoing protests over the Citizenship Amendment Act (CAA) and the economic slowdown. Much of the legislative work was taken up in the previous session of Parliament amid protests from opposition parties over various issues including political developments in Maharashtra.

#### **5. India bans import of refined palm oil: Govt notification**

**Source: The Economic Times ([Link](#))**

India has banned the imports of refined palm oil, a government notification said on 8 January, as New Delhi tries to curb imports from Malaysia following criticism from Kuala Lumpur on India's actions in the Kashmir region and its new citizenship law-- The Citizenship (Amendment) Act, 2019. India imports most of its refined palm oil from Malaysia and crude palm oil from Indonesia. Indonesia and Malaysia are the top two producers of palm oil, while India is the biggest importer of palm oil.

#### **6. Cabinet relaxes norms to mine, sell coal; entry for foreign players eased**

**Source: Business Standard ([Link](#))**

The Union Cabinet on 8 January relaxed the qualification criteria and regulations for mining and selling coal in the country. With this, the entry of foreign players and non-coal dependent companies in the coal mining sector has been eased. So far, only companies involved in the power, metals and mining industry could participate in bidding for coal blocks. The amended

rules will also imply more sellers of coal, which is currently in the hands of state-owned Coal India Limited. Also, all end-use restrictions have been removed. Under the new regime, existing private coal block owners would be able to sell surplus coal in the open market. The Centre has promulgated an Ordinance in Coal Mining Special Provisions (CMSP) Act, 2015, and also Mines & Minerals Development Act (MMDR), 1957, to introduce changes in the auction of coal blocks and their end-use relaxations. The Ordinance is yet to be signed by the President.

### **7. Cabinet apprised of amendments in Motor Vehicles Act**

**Source: The Economic Times ([Link](#))**

The Cabinet has been apprised of the amendments to the motor vehicles law that will ensure concurrence of state governments while formulating the National Transport Policy, the government said on 8 January. The new Motor Vehicles Act with stricter penalties for violation of traffic laws has come into force Pan-India from September 1, 2019. "The Union Cabinet, chaired by Prime Minister Narendra Modi, has been apprised of information about the amendments moved to the Motor Vehicles (Amendment) Bill, 2019 as passed by the Rajya Sabha," the Ministry of Road Transport and Highways said in a statement.